

Economic Development Initiative (“Competitive EDI”) Grants

Grants to directly enhance the security of Section 108 guaranteed loans or to improve the viability of the same Section 108 assisted project.

Nature of Program: HUD may make economic development grants to Community Development Block Grant (CDBG) recipients, in connection with notes or other obligations guaranteed under Section 108, for the purpose of enhancing either the security of the guaranteed loans or the viability of the projects financed by those loans. EDI enables localities to carry out eligible economic development activities where public and private dollars can be leveraged to create jobs and other benefits, especially for low- and moderate-income persons, and reduce the risk of potential future defaults on Section 108 loan guarantee-assisted projects. Eligible activities for which EDI funds may be used are the same as those under the Section 108 Loan Guarantee program. EDI funds are added to other CDBG funds (including Section 108 Loan Guarantee proceeds) for purposes of determining the grantee’s and the project’s compliance with the CDBG primary and national objectives. The EDI and Section 108 funds must assist the same project.

Applicant Eligibility: CDBG recipients.

Legal Authority: Section 108(q) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(q)). 24 CFR part 570, subpart M.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410.

Information Sources: Administering office.

On the Web: www.hud.gov/offices/cpd/economicdevelopment/programs/edi/index.cfm

Current Status: Only amendments to previously approved grants are being made. No new grants are being awarded.